

**OFFICE OF MANAGEMENT AND BUDGET (OMB) &  
DEPARTMENT OF ENERGY (DOE)  
2003 INHERENTLY GOVERNMENTAL (IGCA) INVENTORY  
GUIDANCE SUMMARY**

**OMB GUIDANCE**

OMB has made numerous changes to its inventory requirements for this year. OMB's guidance for the 2003 IGCA Inventory may be accessed through the Office of Competitive Sourcing/A-76 (OCS) Internet web page at <http://www.ma.mbe.doe.gov/a-76>, through the "FAIR Act Inventory" link.

The changes include:

1. OMB has revised the inventory's commercial activity Reason Codes. The table below provides the 2003 Reason Codes and definitions:

<b>REASON CODES FOR COMMERCIAL ACTIVITIES INVENTORY</b>	
<b>Reason Code</b>	<b>Definition</b>
A	The Commercial Activity is not appropriate for private sector performance pursuant to a written determination.
B	The Commercial Activity is suitable for a Cost Comparison or a Direct Conversion.
C	The Commercial Activity is the subject of an in-progress Cost Comparison or Direct Conversion.
D	The Commercial Activity is performed by a Most Efficient Organization (MEO) resulting from a Cost Comparison decision made within the past five years.
E	The Commercial Activity is pending an agency approved restructuring decision (e.g., closure, realignment).
F	Performance of the commercial activity by government personnel is required due to a statutory prohibition against private sector performance.

The OMB 2002 to 2003 Reason Code crosswalk is provided in Attachment 4 – *Department of Energy Inherently Governmental and Commercial Activities Inventory, Guide to Inventory Submission of May 2003*.

2. OMB requires the compilation and submission of more information than has been required in the past. The additional information includes:
  - a. In identifying a Departmental organizational unit the 3-Digit Agency Code and the 2 character Bureau Code published in OMB Circular A-11, Appendix C will now be used (note: the data collection tool has been revised to accumulate this information.)

3. In the President's August 2001 Management Agenda, it was noted that the Competitive Sourcing Initiative begins with the development of a complete and accurate FAIR Act inventory of commercial activities. OMB will continue to conduct a thorough review of agency inventory submissions in order to achieve consistency within and among agencies in the determination of what is commercial or inherently governmental.
4. According to the OMB inventory guidance an agency may exempt, in writing with sufficient justification, commercial activities performed by Government personnel from private sector performance using Reason Code A. Further, the OMB guidance requires that those written justifications should be available to OMB and the public upon request. It is suggested that DOE offices be prepared to provide written justification for full-time equivalents (FTEs) coded with Reason Code A. If OMB requests copies of your written justifications, the OCS will forward the request to your office with the expectation that the written justifications will be provided.

### DOE GUIDANCE

OMB requires the submission of the IGCA Inventory in a specified electronic spreadsheet format. We will use an updated version of Microsoft Excel software based data collection tool used last year. Instructions and training related to the use of the updated data collection tool is available through the web page referenced above.

In the past, every organization in the Department has made its best effort to follow OMB and DOE guidance regarding the determination of whether or not FTEs are performing inherently governmental or commercial activities. However, the analysis of the 2002 DOE IGCA Inventory comparing it to the 2001 version revealed a significant movement of FTEs from commercial to inherently governmental. That move drew OMB concern resulting in the Department, specifically the National Nuclear Security Administration (NNSA), revising its inventory data toward commercial in order to obtain OMB approval of the 2002 DOE IGCA Inventory.

The Lead Program Secretarial Offices (LPSOs) and the CSO in conducting their reviews of the 2003 submissions, should focus on the following:

Does the inventory reflect complete, separable and recurring commercial functions? FTEs should not be considered inherently governmental and eliminated from the commercial activities portion of the inventory based only upon existing organizational structures, if doing so would result in the elimination of work that would otherwise be included in the scope of a full performance service contract. In other words, if a FTE is now performing an inherently governmental activity that could be expected to be included in a contract's statement of work for contractor performance of a complete, separable and recurring commercial function, it should be coded, now, as a FTE performing a commercial activity. DOE's guidance regarding the determination of whether or not an activity is inherently governmental or commercial is set forth in Attachment 4.

Those Headquarters Departmental Elements identified in Attachment 3 are responsible for reviewing and verifying the accuracy of the information provided by their organization and any

constituent field organizations. The Under Secretary for Nuclear Security will ultimately provide the verification of inventory accuracy to the Secretary for NNSA organizations. Other DOE organizations reporting to the Deputy Secretary and the Under Secretary for Energy, Science, and Environment, will verify the accuracy of their inventory and transmit it to the Secretary through the Director, Office of Management, Budget and Evaluation/Chief Financial Officer.

The OCS providing copies of their organization(s) and constituent field organizations 2003 data to the LPSOs, after receipt, will facilitate the higher-level review. It is expected that all higher-level reviews will be accomplished with the intent of encouraging consistency among their organizations' coding of FTEs. All departmental elements are discouraged from coding FTEs in the various Function Code broad Functional areas' "Administrative Support" or "Other..." Function Code categories. Rather, those FTEs should be tied into the more descriptive of the Functional area Function Codes.

The OCS IGCA Inventory principal point of contact will serve as a clearinghouse for questions and answers as the inventory is updated, and will share responsive information with all departmental points of contact.

### REQUIRED SUBMISSIONS

By **June 6, 2003**, each office listed in Attachment 3 will:

Update and revise the data in the Excel data collection tool provided to your organization. Submit the 2003 data by returning it to the OCS by e-mail addressed to [mark.hively@hq.doe.gov](mailto:mark.hively@hq.doe.gov), [user.mobis2@hq.doe.gov](mailto:user.mobis2@hq.doe.gov) and [albaione@jupitercorp.com](mailto:albaione@jupitercorp.com).

In addition to returning the 2003 inventory data, submit a narrative attached to an e-mail to the IGCA Inventory principal point of contact, explaining changes made to the data as compared to your 2002 submission, in accordance with the guidance in Attachment 4.

**Between June 6, 2003 and June 20, 2003**, verifying offices and the OCS will review and work with the submitting organizations to make any necessary changes to inventory data.

By **June 20, 2003**, those offices identified in Attachment 3 as responsible for inventory verification will submit a memorandum substantively similar to that contained in the Attachment 5 sample memoranda, verifying the accuracy, completeness, and consistency of data submitted by their organization.

Conference calls and meetings with all IGCA Inventory Points of Contact will be held to review this guidance, to provide instruction on use of the reporting tool and to provide an opportunity for questions and answers.

Copies of this memorandum, attachments and the data collection tool will be provided to the IGCA Inventory Point(s) of Contact for your organization. A list of the points of contact can be found in Attachment 1. If the list is incorrect or you wish to add an alternate please contact us.

If you have any questions or require additional information regarding this guidance, please contact Mark R. Hively, by e-mail to [mark.hively@hq.doe.gov](mailto:mark.hively@hq.doe.gov) or by telephone at 202-586-5655 or Dennis O'Brien, Director, OCS, at 202-586-1690 (Office fax: 202-586-1972) or by e-mail to [dennis.o'brien@hq.doe.gov](mailto:dennis.o'brien@hq.doe.gov).